

October 31, 1962

CIRCULAR NO. A-44
Revised

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Improving manpower controls and utilization in the executive branch

1. Purpose and coverage. In accordance with the President's instructions to limit the number of Federal employees to the absolute minimum necessary to get the public business done, this Circular provides policies and procedures for:

- a. Improving the general productivity and efficiency of Government operations,
- b. Continuing review and control of manpower utilization, and
- c. Making forward projections of manpower requirements.

This Circular does not apply to uniformed military services of the Department of Defense or the Coast Guard.

This revision of Circular No. A-44 replaces the following Circulars: No. A-44 of June 13, 1951, No. A-8 of June 29, 1951, and No. A-24 of October 1, 1958.

2. General policies. The President has stressed that responsibility for manpower control and utilization rests with the head of each agency. Each department and agency will be expected to undertake vigorous and continued efforts to eliminate non-essential activities and positions, and to increase productivity by improved manpower control and utilization and strengthened supervision.

The need for economy and conservation of scarce manpower skills requires that the executive branch apply strict tests of essentiality in determining manpower requirements in each of its activities. The heads of departments and agencies and their subordinates must make every effort to meet new workload requirements through adjustments in existing activities and procedures, in lieu of adding new employees. Increases in staffing will be approved only where it is clear that essential functions cannot be performed effectively with existing employees.

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The same forces that are bringing about increased productivity in the private sector of the economy are applicable to the Government. It will be assumed that the opportunities to increase productivity in Government are realized at least to the extent they are in the private sector of the economy.

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3. Agency programs for manpower control and utilization. Each agency head is responsible for taking necessary action to assure that his agency has an effective continuing program to increase productivity and control manpower. A statement describing in detail each agency's program, tailored to its own particular needs, will be submitted to the Bureau of the Budget for review by January 7, 1963. The statement should identify existing legislative or administrative restrictions which adversely affect the agency's ability to carry out the policies and objectives set forth in this Circular, together with specific recommendations to alleviate or remove the adverse effects of such restrictions. In addition, the statement will include a description of the specific measures adopted to carry out the intent of Section 1007c of the Postal Service and Federal Employees Salary Act of 1962.

The basic elements of an effective manpower control program, together with the possible tools to use in carrying them out, are these:

- ✓ a. Analysis and appraisal of the work to be performed to assure that it is essential and will contribute to the accomplishment of agency objectives, and that appropriate targets and priorities are set.
- ✓ b. Determination of manpower requirements, using principally the budget process but also such tools as work measurement, work standards, productivity analysis, and manpower and workload reporting.
- ✓ c. Manpower control systems, using such techniques as manpower allocation, tables of organization, reporting systems, special studies, periodic program reviews, and controls on filling of vacancies.
- ✓ d. Specific efforts to increase productivity through improvements in organization, work design, work methods including simpler systems and mechanization, mathematical programming, supervision, and personnel management including skills inventories, employee consultation, training, and incentive and motivation programs.
- ✓ e. Selective test checks to ascertain whether the manpower control program is achieving the desired results.

It is important that staff competent in the areas listed above be available to line officials to assist in carrying on planned management improvement efforts. The staff, in being or planned, for carrying out an agency's manpower control should be described in the statement submitted to the Bureau of the Budget.

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The staff of the Bureau of the Budget is available to advise agencies in their manpower control programs, and to serve as a clearing house for exchanging information on successful measures to improve management and to effect manpower savings. To meet unusual problems where the agency does not have the expertise nor the financial resources to undertake special management studies, assistance may be provided from the Appropriation to the President for Expenses of Management Improvement.

Federal Executive Boards, established at the direction of the President in major centers of Federal activity outside of the Washington area, will give specific attention to exchange of information and cooperative efforts with respect to manpower utilization and management improvement in field offices.

4. Relation to the review of budget estimates. In reviewing budget requirements at all levels, detailed analyses will be made of the number of persons required for both present and proposed activities. The budget process is an effective instrument for preventing overstaffing as well as in identifying work priorities, operating problems, and in appraising efficiency and productivity. In reviewing budget estimates, therefore, each responsible agency official and the Bureau of the Budget will adhere to the following policies:

✓ a. Existing personnel will be utilized to the maximum extent in staffing new programs and expansions in existing programs.

b. Staffing requirements will be planned and executed on the assumption that improvements in skills, organization, procedures, use of equipment and supervision will increase productivity continuously and at the same time maintain adequate quality.

c. Estimates of staffing requirements for on-going as well as new programs will be fully justified, so far as practicable, by an analysis of the relationship between the personnel required and the workload to be performed. In the absence of a workload correlation, the estimates will show the analytical method used in estimating personnel requirements.

d. Contracts with non-Government firms, institutions, or persons will be made on the basis of relative efficiency and effectiveness in accomplishing the desired work, and will not be used as a device to reduce or hold down Government employment when direct Government performance is more effective or appropriate.

Each agency's annual budget submission will include a brief factual statement describing the actions taken and results achieved by the agency manpower control and utilization program outlined in this Circular; it should include a statement of reductions in manpower requirements achieved during the year, with specific monetary savings indicated, and the uses to which such savings were put.

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In presenting budget estimates to the President, the Bureau of the Budget will set forth the employment levels on which the estimates are based. Detailed justification requirements are set forth in Circular No. A-11, for annual budget estimates, and in Circular No. A-41, with respect to supplemental estimates.

5. Estimates of future personnel requirements. Increased attention will be given in connection with annual budget reviews to estimated personnel requirements projected for future years. These estimates are important not only for purposes of the Bureau of the Budget but also for estimating recruitment requirements by the Civil Service Commission and work space requirements by the General Services Administration. Instructions for developing projections of future personnel requirements for annual budget reviews are included in Budget Circular No. A-11, and those for projections required under Public Law 801, 84th Congress, are set forth in Budget Circular No. A-19.

6. Search for better methods. Increased attention will be given by the departments and agencies, under the leadership of the Bureau of the Budget, to searching out and applying the most modern and effective means used either by Government or private enterprise to increase efficiency and output. The research should include studies in such areas as motivation, organization of work, production methods, and methods of managerial control and leadership. The Bureau will make available throughout the Government the important findings and conclusions of important management research conducted within the Government.

7. Manpower inspections and reviews. The Bureau of the Budget, the Civil Service Commission, and the departments and agencies will undertake a systematic program of manpower inspections and reviews. The priority and scheduling of these inspections will be worked out under the leadership of the Bureau of the Budget, and will be carried out by staff of the Bureau, the Commission, and the agency concerned. The special inquiries into manpower utilization practices currently made by the Civil Service Commission will become a part of this new program. The inspections will be made on a selective basis which will give priority attention to areas where the most significant problems and potential savings exist. While every agency cannot be reviewed each year, it may be desirable to review certain agencies annually or more frequently. The inspections will be designed to test the effectiveness of agency systems for manpower analysis and control, and to assist the departments and agencies in discovering opportunities for better use of manpower resources that are available. The results of these reviews will be reported to the head of each agency promptly, for immediate attention and such action as is necessary. The Bureau of the Budget will keep the President informed of any significant findings and of potentialities for increasing productivity.

By direction of the President:

DAVID E. BELL
Director

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ATTACHMENT
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8. Position management.

a. Each department and establishment should develop and maintain a position management system designed to assure that work is organized and assigned among positions in a manner which will serve mission needs most effectively and economically. As used in this Circular, position management includes the evaluation of the need for positions and required skills and knowledge; and the organization, grouping and assignment of duties and responsibilities among all positions. The position structure should be designed to utilize the most effective work processes, equipment, procedures, methods and techniques.

The position management system should be designed to identify, prevent or eliminate such common faults as unnecessary organizational fragmentation, excessive layering, excessive use of deputies, assistants to, and special assistants, improper design of jobs, outmoded work methods, and improper distribution of manpower resources. Special attention should be given to guarding against contracting out of work without adequate concern for relative costs and effectiveness.

b. A position management system should be developed which is best adapted to the needs of a particular agency or program. Provision normally should be made in each position management system, however, for the following key elements:

(1) Assignment of responsibility. Responsibility for work organization and position management should be explicitly assigned to line managers at appropriate levels in the organization.

(2) Utilization of total staff resources. In carrying out their responsibilities for effective position management line managers should utilize budget, management analysis, personnel and other special staff in the development and continuing operation of the position management system in the organization. It is especially important that the work of these staff elements be coordinated and mutually supporting.

(3) Position authorization. A position authorization and control procedure should be established to assure that existing and proposed work organization and staffing arrangements meet the requirements of good position management. Such authorizations and controls must be related to maximum numbers and financial allowances determined in the budget process.

(4) Vacancy control. Before any vacancy is filled or a reclassification approved, a review should be made to determine whether the duties of the position can be eliminated, assigned to other positions, or modified to permit performance at a lower grade.

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(5) Approval of organizational changes. Each proposed change of organization or position structure should be reviewed and approved as appropriate from the standpoint of work design, occupational distribution, grade distribution, manpower requirements, and costs.

(6) Reporting. The position management system should provide for periodic reports for the use of the agency to make it possible to review the effectiveness of the system and to provide essential data for effective analysis by the agency head and upon request by the Bureau of the Budget, the Civil Service Commission, and the Congress. While the frequency of central reporting will vary from agency to agency, the system should make it possible to provide management either periodically or upon request the following information:

(a) The number of positions authorized under the position management system, by grades.

(b) The number of occupied positions, by grades.

(c) Any new arrangements entered into for the provision of services by contract.

(d) An analysis and explanation of any significant changes in the position structure, together with an analysis of any longer-term trends indicated.

(7) Special reviews. When budget reviews, internal management appraisals, periodic reports, or other available data indicate that an organization is not achieving effective position management, action should be initiated to identify the reasons and bring about changes in personnel, organization structure, management practices, or work processes to achieve improvement.

c. Each department and independent establishment will forward a description of its position management system to the Bureau of the Budget by January 1, 1965. For those systems not already in operation, the time phasing for their installation and the date on which they will be fully effective will be indicated.

d. Assessments of the effectiveness of its position management system should be made by the department or establishment itself, and will be made by the Bureau of the Budget in its review of budget estimates, by the Civil Service Commission in its inspection of position classification, and as a part of the joint review of management and manpower utilization made by teams designated by the Bureau of the Budget, Civil Service Commission, and the agencies under review.

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